

MARKED UP VERSION OF THE AMENDED CLAIMS

1. A[n] [improved] credit card system comprising an apportioned credit line, a dollar amount of said credit line being apportionable to specific classes of [credit] transactions, and further wherein said apportioned credit line is identical among all credit cards associated with said apportioned credit line.

2. A credit card system according to claim 1, wherein one of said classes of transactions is [are] telephone transactions.

3. A credit card system according to claim 1, wherein one of said classes of transactions is [are] I[i]nternet transactions.

4. A[n] [improved] credit card system comprising an apportioned credit line, a dollar amount of said credit line being apportionable to specific vendors, and further wherein said apportioned credit line is identical among all credit cards associated with said apportioned credit line.

5. A credit card system according to claim 4, wherein at least one of said specific vendors sells via telephone.

6. A credit card system according to claim 4, wherein at least one of said specific vendors sells via the I[i]nternet.

REMARKS

Applicant has amended claims 1 through 6, and cancelled claims 7 through 9 without prejudice. No new matter has been added.

Applicant has amended the title and abstract to conform to the Examiner's recommendations. No new matter has been added.

Claims 1 and 4 have been amended to more pointedly claim the inventive subject matter. Claims 2-3 and 5-6 have been amended to recite consistent terminology.

I. THE INVENTION

The present invention relates to an improved credit card system. More specifically, the invention provides a discretely apportioned available credit line that limits transactions that can be made for particular purposes in a manner custom fit to the cardholder. In an alternative embodiment, the credit card holder may create sub-accounts for specific purchases, limiting the available credit to the value of an online or telephone transaction.

This may be accomplished by the credit providing institution assembling a list of categories and potential merchants, then dividing those merchants who subscribe to its credit service within those particular categories.

When a transaction is made with the credit card, authorization will be made with respect to the particular category or merchant. The credit institution may also create discrete sub-accounts for particular purchases. This system will allow that in the event the credit limit has been reached in a particular category or sub-account, either through ordinary charging or through misappropriation, the card will remain effective for emergency charges (tow trucks, hospitals, etc.) or charges for essential items like food and prescription drugs.

The current systems provide methods to facilitate credit card verification systems and to use credit card systems in different formats. None of the prior art addresses a credit card solution that apportions credit availability to specific purposes and limits false charges in each discrete billing category, while simultaneously allowing cardholders control over their own transactions and the transactions of other authorized card users.

In accordance with the present invention, the partitioned credit card system combines the traditional advantages of credit cards with the advantages of a segregated credit line. For example, transactions authorized by the system for online commerce would be limited to a preset portion of the card user's total credit

line. The cardholder is given the freedom to shop using a credit system while knowing that the card will always be functional in an emergency or for essential purchases.

Another advantage of this partitioned credit card system is its limitation of unauthorized transactions in any particular category up to that category's limit. Those who steal card numbers either during online transmission or through theft of the card itself are limited in their attempt to defraud the cardholder by preset categories and credit limits. Each category limit will be much lower than the total credit card limit, thereby greatly reducing the exposure of card users and credit institutions to unauthorized purchases.

Even this limited exposure is eliminated for online and telephone commerce through the use of sub-accounts, which the user may establish for individual transactions. In this embodiment of the present invention, the user may create sub-accounts with credit limits equal in amount to the transaction amount. When the transaction is complete, the sub-account is empty so there can be no unauthorized purchases.

II. THE EXAMINER'S REJECTIONS OF CLAIMS 1-9

In the January 31, 2002 Office Action, the Examiner rejected claims 1-3 and 7-9 under 35 U.S.C. § 102 as being anticipated by Armetta et al. U.S. Pat. No. 5,864,830 ("Armetta") and further rejected claims 4-6 under 35 U.S.C. § 102 as being anticipated by Solokl et al U.S. Pat. No. 6,173,269 ("Solokl"). The Examiner argued:

"Armetta teaches a credit card system, wherein a cardholder's credit line is apportioned to different credit transactions, including telephone or Internet transactions to a sub-account of the cardholder. The cardholder may apportion specific credit amounts to a sub-account present on a satellite card of a child or person on a trip."

"Solokl teaches a credit line provided for a teenager, the credit line is apportioned such that only specific vendors are accessible by the teen, as set forth by the activators of the card, normally the parent. The teen can purchase from the vendor via Internet or telephone."
(citations omitted)

III. THE EXAMINER'S REJECTIONS OF CLAIMS 1-6 SHOULD BE RECONSIDERED

The Examiner rejected claims 1-3 and 7-9 under 35 U.S.C. § 102 as being anticipated by Armetta and further rejected claims 4-6 under 35 U.S.C. § 102 as being anticipated by Solokl. Applicant has cancelled claims 7-9 without prejudice, and thus, will not provide argument with respect to those claims.

Concerning amended claims 1 and 4, Applicant has amended these claims to more precisely claim the inventive subject matter. Specifically, Applicant has focused the claims on a system for apportioning a dollar amount of a credit line to certain type of transactions or specific vendors. A result of Applicant's invention is greater security when making on-line and telephone purchases, and overseeing the spending of other cardholders on the same credit line.

Therefore, in view of the amendments entered herein, Applicant respectfully submits that the Examiner's rejections based on Armetta and Solokl are misplaced.

Armetta discloses a system wherein "satellite" spending cards are associated with a main card, each of which has definable credit lines. (See Armetta, col. 3, lines 30-60) The main cardholder can adjust the limit of each card independent from the others. (See id. at col. 3, lines 42-46) However, this is completely distinct from the present invention. Applicant teaches in amended claim 1 a system wherein a specific dollar amount of a credit line may be apportioned to certain classes of transactions. For example, a user may choose to set a limit of \$500 for Internet transactions. Applicant does not teach the use of multiple "satellite" cards with varying credit limits. The

Applicant's advanced techniques for managing a credit line are neither disclosed nor anticipated by Armetta. Thus, Applicant respectfully submits that the Examiner's reliance on Armetta is misplaced.

Solokl discloses a system for generating a credit line for a teenager that may be used only at approved vendors.

(See Solokl, col. 5, line 55 through col. 6, line 15)

Applicant, in amended claim 4, teaches a much more advanced system that allows a user to apportion part of their credit line for use at a specific vendor. For example, a user can apportion a maximum of \$100 to be spent at the bookstore.

It is not the simple "on" or "off" methodology taught by Solokl. Thus, Applicant respectfully submits that the Examiner's rejection based on Solokl is misplaced.

Dependent claims 2-3 and 5-6 all depend on claims 1 and 4. Hence, these claims contain limitations in addition to those recited disclosed in amended claims 1 and 4.

Therefore, Applicant respectfully submits that claim 2-3 and 5-6 are in condition for allowance.

CONCLUSION

In light of these arguments and amendments, Applicant respectfully submits that the application is in condition for allowance. Early and favorable action is requested.

Respectfully submitted,

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